

ADOPTION OF 2014 REVISED INVESTMENT POLICY

TO THE HONORABLE BOARD OF COMMISSIONERS:

RECOMMENDATION

It is recommended that the Board of Commissioners approve and adopt the Chicago Housing Authority's 2014 Revised Investment Policy. This current policy was last revised in 2010.

CORPORATE GOAL

The proposed policy supports Plan Forward Goal #1: Reimagine the final phase of the Plan for Transformation, coordinating public and private investments to develop vibrant, complete communities.

FUNDING:

N/A

GENERAL BACKGROUND/EXPLANATION

The purpose of the CHA Investment Policy is to provide the Authority with written guidelines and governance related to the investment of funds. Additionally, the policy ensures compliance with HUD cash management guidelines and the Illinois Public Funds Act. The Policy serves as a public commitment by the Board of Commissioners to manage the financial affairs of the Authority in a fiscally prudent manner.

The major revisions which this policy incorporates are as follows:

This 2014 revision to the policy will provide some grammatical updates and revised language pertaining to titles, definitions, and other minor editorial changes. The following material changes have been added to enhance accountability and performance attributes:

- Allowing the use of Federal Home Loan Bank – Public Unit Deposit Insurance to replace bank collateralization requirements.
(Note: This has recently been approved at both the State of Illinois and the City Treasurer's Office.) *This will allow for additional community investment by CHA banking partners as a result of collateral easing.*
- Increasing municipal obligation investment limit from 5% of total portfolio to 7.5%.
State and Municipal obligations have performed well for CHA since their introduction in 2010, and this investment component increases CHA's participation and visibility in this marketplace.

- Providing more detailed duration and description parameters around investment portfolio types to ensure common CHA understanding.
CHA's revised Investment Policy provides new naming conventions for aggregate portfolios and identifies maximum duration limits and performance benchmarks to ensure safety and liquidity measures

RESOLUTION NO. 2014-CHA-114

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated November 12, 2014 entitled: **"ADOPTION OF 2014 REVISED INVESTMENT POLICY"**;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:

THAT, the 2014 Revised Investment Policy is adopted.

THAT, the Board of Commissioners authorizes the Chief Executive Officer and Chief Financial Officer to implement the 2014 Revised Investment Policy.



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